

**LIBRARY
SUPREME COURT U.S.**

Office-Supreme Court, U. S.
FILED

AUG 9 1951

**CHARLES ELMORE CROPLEY
CLERK**

**IN THE
Supreme Court of the United States
OCTOBER TERM, 1951**

No. 180

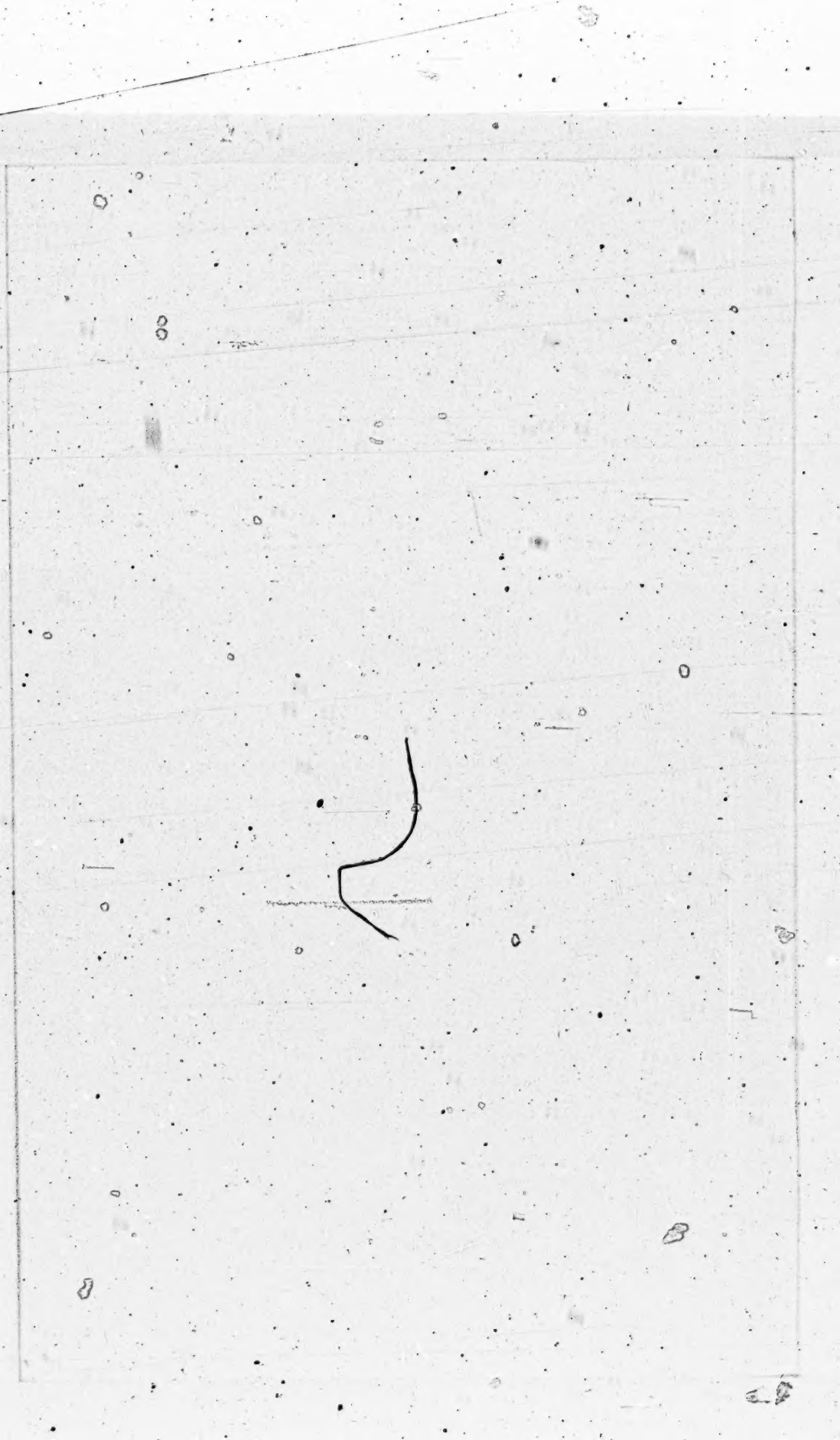
KEROTEST MANUFACTURING COMPANY,
Petitioner,
v.
C-O TWO FIRE EQUIPMENT COMPANY,
Respondent.

**BRIEF FOR RESPONDENT IN OPPOSITION TO
PETITION FOR WRIT OF CERTIORARI**

R. MORTON ADAMS,
247 Park Avenue,
New York 17, N. Y.,
Counsel for Respondent.

ARTHUR G. CONNOLLY,
228 Delaware Trust Building,
Wilmington, Delaware,

EDWARD T. CONNORS,
155 East 44th Street,
New York, New York,
Of Counsel.



SUBJECT INDEX

	PAGE
1. The "Questions Presented" Do Not Actually Arise	2
2. The Matter Decided Is A Discretionary Procedural One Not Of General Interest	5
3. There Is No Conflict Of Decision	5
4. No Injury Is Done To Petitioner By Proceeding Under The Circuit Court of Appeals Decision	9
Conclusion	10

CASES AND STATUTES CITED

Cresta Blanca Wine Co. v. Eastern Wine Corp., 143 F. 2d 1012 (2 Cir. 1944)	7, 8
Crosley Corp. v. Hazeltine Corp., 122 F. 2d 925 (3 Cir. 1941), cert. den. 315 U. S. 813 (1942)	3, 6
Crosley Corp. v. Westinghouse Elec. & Mfg. Co., 130 F. 2d 474 (3 Cir. 1942), cert. den. 317 U. S. 681 (1942)	3
Hammett v. Warner Bros. Pictures, Inc., 176 F. 2d 145 (2 Cir. 1949)	6, 8
Memphis City v. Dean, 8 Wall. 64 (U. S. 1869)	9
Smith v. McIver, 9 Wheat. 532 (U. S. 1824)	6
Speed Products Co. v. Tinnerman Products, 171 F. 2d 727 (App. D. C. 1948)	8
Triangle Conduit and Cable Co., Inc. v. National Elec- tric Products Corp., 125 F. 2d 1008 (3 Cir. 1942), cert. den. 316 U. S. 676 (1942)	3
28 U. S. C. Sec. 1404	6
28 U. S. C. Sec. 1406	6
35 U. S. C. Sec. 63 (R. S. Sec. 4915)	8

OPINIONS BELOW.

Order, findings of fact and conclusions of law of the District Court filed April 21, 1950, 85 USPQ 185 (no opinion was filed).

Opinion of the Court of Appeals filed June 16, 1950, 182 F. 2d 773.

Opinion of, the District Court filed August 18, 1950, 92 F. Supp. 943.

Vacated opinion of the Court of Appeals filed February 19, 1951, 88 USPQ 335.

Opinion of the Court of Appeals on rehearing filed May 24, 1951, 89 USPQ 411.

IN THE
Supreme Court of the United States

OCTOBER TERM, 1951

No. 180

KEROTEST MANUFACTURING COMPANY,

Petitioner,

v.

C-O TWO FIRE EQUIPMENT COMPANY,

Respondent.

**BRIEF FOR RESPONDENT IN OPPOSITION TO
PETITION FOR WRIT OF CERTIORARI**

Respondent opposes the petition on the following grounds:

1. The "questions presented" do not actually arise.
2. The matter is a discretionary procedural one not of general interest.
3. There is no conflict of decision.
4. No injury is done petitioner by the ruling below whereas respondent will be injured by delay.

Argument

1. The "Questions Presented" Do Not Actually Arise.

a. In its first question, as well as in its statement of the facts and in its argument, petitioner would create the impression that it had brought the present declaratory judgment action as the only way of protecting itself against injury caused by patent infringement suits brought against its customers rather than against it, and the further impression that the Court of Appeals for the Third Circuit had denied it the right to protect itself. Neither suggestion has any support in the record.

In the first place, the two prior suits brought by respondent were not "customer" suits and were not aimed at petitioner—they were suits against manufacturers who competed with respondent, as petitioner does not do, in manufacturing and selling complete fire extinguishers. These fire extinguishers are made of several parts and it now appears that instead of manufacturing all the parts, these defendants bought some parts—patented parts—from petitioner. But even so, petitioner did not need to bring the present action to protect its interests. In one of the prior actions, now settled, brought by respondent on the same patents against The General Detroit Corporation, the defendant, General Detroit, claimed petitioner was obligated to defend it, but petitioner refused. Petitioner's president (by affidavit herein, R. 23a) states: "Kerotest Manufacturing Company has consistently denied that it is under any obligation to indemnify The General Detroit Corporation for infringement alleged in the said suit, * * *". In the other prior action, now pending, brought by respondent against Acme Equipment Company in Chicago, petitioner also elected not to appear, but brought this action instead. Petitioner's president (in the same affidavit) states: "On the contrary, instead of attempting

to enter into the pending suit against Acme Equipment Company, the Kerotest Manufacturing Company has brought suit in this Court for declaratory judgment." So petitioner had ample opportunity to present its position in both prior cases and had no need to bring the present action.

In the second place, it hardly rings true to say that the Court of Appeals for the Third Circuit, which has always been most assiduous in protecting those who bring patent declaratory actions*, has suddenly abandoned this well-established principle and denied protection to this petitioner. What that Court of Appeals did do was to reaffirm the principle but recognize that, in this particular case, the ends of justice were served by avoiding duplicate litigation by staying the present action, in which not all the parties were present, and proceeding with the earlier action against Acme, in which all parties are now present and which is at issue as to all parties and ready for trial. The Court below held (R. 74):

"Why, under the circumstances, should there be two litigations where one will suffice? We can find no adequate reason. We assume, of course, that there will be prompt action in the Chicago theatre."

The facts are well stated in the opinion of the Court below (R. 69 *et seq.*)—the significant ones petitioner omits, namely, that the Acme case was the first filed case, that it was not a "customer" case as that term has come to be used and is used by petitioner, that it is the only one that has all the parties and all the issues, that petitioner could have entered that case instead of starting the present one

* *Crosley Corp. v. Hazeltine Corp.*, 122 F. 2d 925 (3 Cir. 1941), cert. den. 315 U. S. 813 (1942); *Crosley Corp. v. Westinghouse Elec. & Mfg. Co.*, 130 F. 2d 474 (3 Cir. 1942), cert. den. 317 U. S. 681 (1942); *Triangle Conduit and Cable Co., Inc. v. National Electric Products Corp.*, 125 F. 2d 1008 (3 Cir. 1942), cert. den. 316 U. S. 676 (1942).

but elected not to, that petitioner is now a party therein and has joined issue therein, and that the case is ready for trial.

It is submitted that petitioner's "first question" attempts to make the facts seem otherwise than as they are and does not actually arise.

b. In its second question, petitioner would make it appear that the action against Acme involves an independent controversy; but it appears from petitioner's own complaint herein that petitioner supplied all the infringing valves to Acme (R. 6a), so the issues of validity and infringement are identical in both actions. The extent of recovery is, of course, not an issue.

It is submitted that the second question, which implies the facts are otherwise than as they are, does not actually arise.

c. The third question is purely rhetorical and argumentative and suggests that the Court of Appeals for the Third Circuit is subject to criticism for retaining jurisdiction "as a club over defendant [respondent]". This unwarranted suggestion is based on the fact that the Court of Appeals based its action, in part, on the assumption that a prompt trial of all issues could be had in Chicago and reserved jurisdiction in *petitioner's interest* so that trial could be had in the instant case in the event the Chicago case were to become unreasonably delayed. Apparently, petitioner is not interested in prompt trial—it has already delayed the trial in Chicago by over a year and, instead of proceeding there in accordance with the Court of Appeals' decision, files the present petition resulting in further delay.

The third question, being argumentative and rhetorical, does not arise.

2. The Matter Decided Is a Discretionary Procedural One Not of General Interest.

The decision of the Court of Appeals for the Third Circuit does not lay down any new or different doctrine of controlling general importance. It merely applies existing principles to particular facts. It applies the principle that the first case should proceed—absent special circumstances—by allowing the Chicago Acme case to proceed. It applies the principle that duplication of litigation should be avoided—by staying the instant case in favor of the Chicago case which was not only the first case but which included all the parties, tendered the same issues, and was ready for trial on answers filed by both defendants, including petitioner.

Both doctrines are well established. There would seem to be nothing warranting action by this Court, in their application to these or any other particular facts.

Petitioner would like to see the first of these doctrines made so rigid and inflexible that it could be made the instrument of injustice rather than justice. It would have the doctrine of "first filed, first tried" so inflexible that it would force the instant case to trial merely because, as to petitioner, the present case was brought before petitioner was joined as a defendant in, and filed its answer joining issue in, the earlier filed Chicago case involving the same controversy, namely, validity of the same patent and infringement by the same device.

No new doctrine has been laid down warranting the grant of a writ of certiorari by this Court.

3. There Is No Conflict of Decision.

The procedure adopted by the Court of Appeals for the Third Circuit herein does not conflict with decisions in other courts. The principle of trying the first filed case first was an application of the principle of avoiding dupli-

cate litigation. The Court of Appeals for the Third Circuit which was the first to apply the principle to declaratory judgment patent cases in *Crosley Corp. v. Hazeltine Corp.*, *supra*, cited the decision of this Court in *Smith v. McIver*, 9 Wheat. 532 (U. S. 1824) and held, page 930:

"It is of obvious importance to all the litigants to have a single determination of their controversy, rather than several decisions which if they conflict may require separate appeals to different circuit courts of appeals. No party has a vested right to have his cause tried by one judge rather than by another of equal jurisdiction. * * * The economic waste involved in duplicating litigation is obvious. Equally important is its adverse effect upon the prompt and efficient administration of justice. In view of the constant increase in judicial business in the federal courts and the continual necessity of adding to the number of judges, at the expense of the taxpayers, public policy requires us to seek actively to avoid the waste of judicial time and energy. Courts already heavily burdened with litigation with which they must of necessity deal should therefore not be called upon to duplicate each other's work in cases involving the same issues and the same parties."

That a litigant has no vested right to have his case tried by one court rather than another has since been expressed in Sections 1404 and 1406 of the Judicial Code, 28 U. S. C. §§ 1404 and 1406, providing for transfer from one district court to another. The decision in the present case is in accord in principle though no transfer was ordered—none was needed since the parties and the issues were already in the Chicago case.

The Court of Appeals for the Second Circuit is in accord on closely analogous facts. In *Hammett v. Warner Bros. Pictures, Inc.*, 176 F. 2d 145 (2 Cir. 1949)—a copyright case cited by the Court of Appeals for the Third

Circuit in deciding the instant case—Hammett argued, as petitioner does here, that he was entitled to priority because he initiated his action in New York before he was made a party in a California case. The Court disposed of this, stating (p. 151):

“It is argued, however, that the fact that Hammett was not made a party to the California action before commencing this action requires a contrary result as a matter of law because of the rule of priority of filing dates. The answer to this contention, in accordance with the principle of equitable application of that rule indicated above, by the Court of Appeals of the First Circuit seems to us to be conclusive of this claim. That court in a similar situation has held that, even when a party before it could not have become a party to a prior pending action, the fact that he might have participated in its defense with the defendants having a common interest was enough. *Western Electric Co. v. Hammond*, supra, 135 F. 2d at page 287. We do not have to go so far since Hammett is in fact now a party and has appeared in the California action. Nor is this holding in conflict with *Associated Indemnity Corp. v. Garrow Co.*, supra, since that was a case where in the absence of the missing party the issue could not have been raised at all.”

• It is to be noted that the Second Circuit cited the First Circuit as being in accord.

Petitioner cites the Second Circuit decision in *Cresta Blanca Wine Co. v. Eastern Wine Corp.*, 143 F. 2d 1012 (2 Cir. 1944) as being in conflict. But the Court of Appeals for the Second Circuit did not regard it as conflicting—it cited it in its opinion in the Hammett case as being in accord (p. 150):

“A general rule for determining priorities as between pending actions on the basis of dates of filing has been stated in some of the cases, but is [sic] has

been recognized that this rule is not to be applied in a mechanical way regardless of other considerations. *Brillhart v. Excess Ins. Co.*, supra, 316 U. S. 491, 62 S. Ct. 1173, 86 L. Ed. 1620; *Chicago Furniture Forwarding Co. v. Bowles*, 7 Cir., 161 F. 2d 411; *Western Electric Co. v. Hammond*, 1 Cir., 135 F. 2d 283. See *Crosley Corp. v. Westinghouse Elec. Mfg. Co.*, 3 Cir., 130 F. 2d 474, 475; *Cresta Blanca Wine Co. v. Eastern Wine Corp.*, 2 Cir., 143 F. 2d 1012, 1014."

The *Cresta Blanca* case involved several causes of action and, insofar as here relied on by petitioner as conflicting, seems to us to have turned on the fact that the application for a stay of a companion case was being made by one who was not a party but who was asking for intervention in order to secure the stay. Insofar as the Court indicated any tendency to make the rule of priority inflexible, it clarified the matter in its later decision in the *Hammett* case, above quoted.

In the case of *Speed Products Co. v. Tinnerman Products*, 171 F. 2d 727 (App. D. C. 1948) relied on by petitioner as presenting conflict, there was a complex fact situation and a long record of motions and counter-motions. The result of the decision in that case is completely in accord with the present case, namely, the elimination of duplicate litigation. The District of Columbia Court of Appeals held that the New York case should proceed. The New York case had all the issues and could finally adjudicate them as to all parties and the Court was careful to point out that (due to peculiarities of actions under 35 U. S. C. § 63 (R. S. § 4915), which both cases were) the Commissioner of Patents was not a necessary party to the New York action even though he was a party to the District of Columbia action. The Court declined to advance the District of Columbia case for trial before the New York case but permitted the New York case, in which trial was imminent, to proceed.

Inspection of the District Court records reveals that the District of Columbia case was actually stayed and that the trial of the New York case determined the matter. The only difference between that case and the present is that there the Court chose to allow the second of two cases (the New York case, which was first as to one of the parties and was ready for trial) to proceed rather than the first case, but could do so because either case would in any event resolve the whole controversy which is not true here. Here the Court chose the case which would resolve the whole controversy and it was the first case though not the first as to one of the parties.

Nor is there conflict with *Memphis City v. Dean*, 8 Wall. 64 (U. S. 1869) which petitioner brings up for the purpose of this petition but did not cite to the Court below either on original argument or rehearing. In that case, as here, the decision was that duplicate litigation should be avoided. In that case, one action was in the State Court and the other in the Federal Court. In the State case, which was first, the Memphis Gaslight Company sued a newly organized company to enjoin it on the theory it was invading plaintiff's exclusive franchise. In the Federal case, the Memphis Gaslight Company (by its controlling stockholder) sued the same company and the city, asserting the same cause of action plus a related contract action against the city. This Court held that the cause of action, which had been decided in the first case (though not finally) should not be duplicated in the second case.

4. No Injury Is Done to Petitioner by Proceeding Under the Circuit Court of Appeals Decision.

Petitioner is a party defendant in the Chicago case, it has filed its answer joining issue therein, the only infringing devices, as it turns out, are supplied by petitioner, so that not only are the issues the same but there are no extraneous issues, and the case is ready for prompt trial. So petitioner cannot be injured by proceeding with that case.

But if this petition is granted there will necessarily be delay which will injure respondent—and, at most, if petitioner were to succeed in its contention, the result would be two trials of the same issue, one in the instant case and one in the Chicago case.

There has already been a delay of over a year. The Chicago case was filed January 17, 1950. It was set for trial July 8, 1950, but as a result of delay occasioned by petitioner's motion for stay, was reset, at the time petitioner filed its answer therein, to September 28, 1950. Thereafter, again because of the instant stay proceedings, it was reset to December 8, 1950 and, again for the same reason, reset to February 2, 1951, extended to April 6, 1951, May 21, 1951, and, finally because of an application to stay the mandate to permit filing the present petition reset to September 24, 1951, subject to change.

Petitioner, plainly, is more interested in delay than prompt trial.

CONCLUSION

It is submitted that the Petition should be denied.

Respectfully submitted,

R. MORTON ADAMS,
247 Park Avenue,
New York 17, N. Y.,
Counsel for Respondent.

ARTHUR G. CONNOLLY,
228 Delaware Trust Building,
Wilmington, Delaware,

EDWARD T. CONNOLLY,
155 East 44th Street,
New York, New York,
Of Counsel.

August 9, 1951.